

State of the City Address, 2011

By Mayor Jennifer Hosterman
February, 22, 2012

Good afternoon, Ladies and Gentlemen. I want to extend my many thanks to the Pleasanton Chamber of Commerce for hosting the State of the City event, and particularly to all of you for joining us today.

INTRODUCTION:

As you know, this will be my last State of the City address as I begin to close one decade of serving on the City Council, including 8 years as your Mayor.

In 2004, as a new Mayor, the big crisis in Pleasanton surrounded the Oracle takeover of PeopleSoft, our own homegrown tech company. In retrospect, I'm glad that I didn't have to start with *Urban Habitat*, but nevertheless, the thought of 3,500 PeopleSoft jobs leaving our city was pretty devastating.

PeopleSoft was a major employer in Pleasanton and we knew Dave Duffield and his organizational culture well and had a comfort level there. This was a change that was going to affect local Pleasanton families, adjacent businesses, and the entire business market, possibly for the worst.

So what did we do? We acted like leaders and we reached out to make a connection. Instead of approaching Oracle like a corporate raider out to get PeopleSoft... we adapted our stance to one of....WELCOME.

We met with Oracle President Safra Katz and other executives and worked together with them to manage the message to the media. We were in constant touch with Oracle and were notified in advance of any new developments.

And now, today, as a result of those efforts, Oracle is a stable anchor in the Pleasanton business community; some of the space vacated by PeopleSoft created an opportunity for Kaiser Permanente to expand in Pleasanton AND, this is really a win-win-win story because we

ultimately got Dave Duffield back too, through Workday, his new Pleasanton-based company, which is being watched as the next big IPO in the tech industry!

Before I go on, I would like to introduce the rest of the Pleasanton City Council, several of whom have been at my side throughout my entire tenure on the Council. This dedicated group of individuals has worked tirelessly for our community and who, with the community's support, are responsible for the many successes that we have achieved.

Each one of them brings a unique background and perspective to the City on behalf of the people of Pleasanton, and I am so honored to work beside all of them. Please join me in giving Vice-Mayor Cheryl Cook-Kallio, and Council- members Cindy McGovern, Matt Sullivan and Jerry Thorne a big round of applause.

I would also like to recognize the many commissioners that serve as advisors to your City Council, all of whom devote countless hours to the people of Pleasanton and provide guidance on so many critical issues, as well as our wonderful city staff for their many contributions.

Over the past decade, I've learned about the leadership and collaborative skills required to serve both as a Council Member and as Mayor, and I've come to fully understand the difference between the two.

When I first joined the City Council in 2004, it was easy to embrace a saber rattler approach and vote NO when I personally disagreed on an issue. But, what I've learned being Mayor is that it's sometimes more important...and much harder...to put aside those personal perspectives and vote YES when it's best for the overall community. Further, getting to a majority YES vote, especially a unanimous one, requires hard work, candid discussion, and more than a drop of selflessness.

As Mayor, it's been important for me to work with the Council to bring about a unanimous vote on the most important issues facing our city because from my perspective, demonstrating a unified force is key to helping the community accept those tough decisions that we've made over the past ten years.

This solidarity was most visible on the 5-0 vote obtained for both the Stoneridge Extension and for issues related to the City's former Housing Cap. Reaching these decisions required the Council to work together carefully which enables the public process to unfold in a way that resulted in decisions that are best for the people of Pleasanton.

Would it be another long and very expensive legal battle that would become a money pit with the decks stacked against us, or would there be compromises? It was a difficult period, but we all worked together and developed a course of action that will help enhance Pleasanton's future.

We also stood together on other important initiatives: the adoption of a new Housing Element to the General Plan, Guidelines and Standards for the Hacienda Transit-Oriented Development, and a comprehensive Climate Action Plan. I want to point out that it was a well forged partnership effort including the City Council and the City Manager that brought us to a successful close on all of these very critical projects.

Speaking of the Council, there's been a lot of discussion about the 5-0 vote on this City Council and I think we need a reality check. The fact is, on the overwhelming majority of Council items, we agree, and most often unanimously. I went back over the Council minutes of 2011 and I found that this City Council agreed unanimously on 210 agenda items. Split votes constituted a mere handful of the collective work that we did last year. I'm proud of these accomplishments and Pleasanton residents and businesses will benefit from this unified vision.

As a result of a shared vision, over the past eight years Pleasanton has seen some dramatic improvements which have made our city more appealing to residents, businesses, and visitors.

At our very heartbeat,

Main Street, we've seen renovations and upgrades to historic buildings such as the Pleasanton Hotel, 350 Main Street at Angela and Main, and the fabulous new renovation of 234 Main Street, which now houses Fleet Feet.

We also invested \$5 million dollars in the renovation of the Veterans Memorial Building, preserving its 1932 architectural detail and providing some current upgrades such as accessible ramps, air conditioning and earthquake safety.

We wrapped up 20 years of negotiations to successfully acquire the Alameda County Transportation Corridor, which was critical to the development of the Firehouse Arts Center. The Firehouse Arts Center celebrated its first anniversary and serves as an economic engine for our vibrant downtown.

There have been many changes elsewhere in our retail community as well, including some big management turnovers at the Stoneridge Shopping Center. In 2008, the center was acquired by the Simon Property Group, and it is thriving with new tenants and patrons that include H & M, Michael Kors, the Cheesecake Factory, P.F. Chang's, an Apple Store and an expanded California Pizza Kitchen.

We also welcomed Kohl's, Sport Chalet, Golfsmith, Fresh n' Easy, Ranch 99, Peet's Coffee and Tea, and the beautiful Casa Real Event Center, to name just a few.

Transportation

As part of this evolution over the past decade, the landscape around us has changed, meaning that traffic patterns have changed too. New growth over the Altamont Pass added thousands of vehicles on I-580 for a daily commute, and a recent resurgence in the Silicon Valley means more traffic on I-680 heading that way.

Being located at the vortex of two major interstate freeways means that regional changes bring change for us. There is now an 11-mile carpool lane on eastbound I-580 from Hacienda Drive in Pleasanton to Greenville Road in Livermore to relieve gridlock on the second most traveled freeway in the Bay Area. We're seeing progress on the State Route 84 Improvement project that is so critical to our city. On our City's roadways we constructed a new Bernal Bridge near the Vineyard corridor and completed the City's Pedestrian and Bicycle Master Plan Update.

Housing

We've also seen some significant housing development during this period, including the build-out of homes on the Bernal property; the Gardens at Ironwood senior housing features a 172-unit apartment complex and then there's also the beautiful Parkview assisted living complex that amazingly includes 31 units of affordable assisted care for our seniors.

We've worked in collaboration with the other four

Tri-Valley Cities to create and operate the Tri-Valley Housing Opportunity Center, which provides training, resources and referrals to a broad spectrum of users ranging from first-time buyers to those seeking assistance dealing with the complexities and emotional challenges of home foreclosure.

Public Safety

Let's also consider some of the changes in public safety over the years, because it is an important issue that is always at the forefront of the Council goals. We completed the construction of Fire Station #4 on the Bernal Property to improve coverage citywide. We implemented and continue to fund a successful traffic calming program that works with local residents to install traffic features such as speed bumps, radar speed display signage, and in-pavement illuminated cross walk systems that both improve local traffic and provide a higher degree of safety and comfort to residents.

We also joined 38 other agencies in the East Bay Regional Communications System Authority to work together to develop a radio communication system that ensures complete and total communication interoperability for agencies in Contra Costa and Alameda counties in the event of an emergency.

Community Amenities

Other big changes that have taken place during my tenure include the addition of some spectacular and one-of-a-kind parks and public facilities. We started with a renovation of the Amador Theater and we opened a newly designed and expanded 24-acre Val Vista Community Park. We also opened Alviso Adobe Community Park, a seven-acre historical park that tells the story of how one piece of California land has been inhabited and used in different ways over the past 4,000 years.

We recently completed Phase I of the Bernal Community Park, with features such as lighted little league baseball fields which have been getting plenty of good use by our local teams. Right now, we are exploring funding for future park phases that will be designed using our 'grand' park concept. We restored Kottinger Creek and made some significant upgrades to Lion's Wayside and Delucchi Parks downtown. The Marilyn Murphy Kane Trail opened, as well as the first segment of the Iron Horse Trail in Pleasanton. And, after 32 years, Gingerbread

Preschool's play yard was tired. We gave it an amazing facelift that will make a great difference to our youngest residents.

Environment

Before we even knew that we had to develop a Climate Action Plan, the City of Pleasanton was making changes designed to protect the environment and working towards becoming the *greenest city in the nation*. We implemented a battery disposal program. We launched a Solar Cities program to educate our residents about the benefits and rebates involved in using solar energy on their homes. We also conducted a big E-Waste event every year for our residents that includes prescription drug drop-off for safe disposal. And who would have thought in 2004 that one day there would be electric vehicle charging stations in downtown Pleasanton and at City Hall? Change, it's a wonderful thing!

Programs

Finally, let's talk about some of the great programs that have been put into place over the past decade. Social media has changed the way that we communicate. We now have Online Campaign Finance Reporting so there is transparency and the public can view campaign contributions.

You can now register online for summer camps and recreation programs offered through the Community Services Department. You can even check the condition of the fields online if you want to know if your game is a rain-out. Remember having to pick up the phone and call the weather line to learn if your child's game has been cancelled or not?

As a matter of fact, we even Tweet now and you can follow us at twitter.com/pleasantonca! Another big accomplishment was done in tandem with the other cities in the region to conduct the award-winning Tri-Valley Adolescent Health Initiative which assessed the at-risk behavior in our teens.

So, that's where we've been together over the past ten years and we all have a lot to be proud of.

In the more recent past, specifically 2011, there's evidence that the local economy is on a slight uptick. On the national landscape, the first year of the 112th Congress marked a series of dismal

episodes in the American economy. 2012 has shown some improvement and we can only hope that this marks a real turn in the economy.

But 2011 found us working to balance the economic events which are outside of local control, such as the national debt load of small Mediterranean countries, our own U.S. deficit, global oil prices, and interest rates with our local operations and we've responded by implementing many cost control programs that include both innovations as well as some traditional method of tightening our belt.

In the private sector, we are seeing modest growth and a very slow recovery with the emergence of new businesses, development and commercial leases. Commercial vacancies were down from a year ago and now stand at 18.5%. Local home values have remained stable within the context of the overall California real estate market. As a result, property tax revenues were fixed in 2011 at about \$50 million. Sales tax revenues continue to expand and totaled \$18.5 million last year.

The national unemployment rate in January of this year was 8.3%, which is being touted as an improvement over 2011. Statewide, the unemployment rate was 11.1% in December. Here in Pleasanton, it was 5.2%. I don't want to undermine the severity of the current job market, and I know you understand that there *are* Pleasanton residents who have been victims of this recession. However, in overview, our unemployment rate is very low in comparison to the rest of the State and the nation.

My fellow City Councilmembers and I are totally committed to maintaining the high quality of life that our residents and businesses expect. We are equally bound to a conservative fiscal policy that helps to insulate Pleasanton from the perils of the global economy. In 2011 we continued this effort with a plan to reduce the City's pension liabilities by at least 10% over the next five years, trim personnel expenses to 70% of the operating budget over the next ten years, and re-set pension formulas.

As I mentioned earlier, we are continually evaluating our employee compensation structure in an effort to reduce labor costs and, after an intense period of negotiations conducted mostly in the latter part of 2011, I'm pleased to report that we've reached an agreement with the Pleasanton police officers union that includes all officers paying the full employee share of their

retirement costs. The 2010-11 budget also includes a new \$1 million dollar Public Employees Retirement System Stabilization Fund, to help pay down our unfunded liability.

We were very busy in 2011 and one of our most notable achievements was the completion of the Housing Element of the General Plan.

Our Community Development Department had a very busy year in 2011, and also managed to move forward on the Hacienda Transit-Oriented Development Standard and Design Guidelines. I want to extend my special thanks to the 21-member Hacienda Task Force who worked on this project for one year.

We talked a little bit about the commercial retail market in the context of the past ten years. In the past 12 months Pleasanton has recognized some positive indications with decreasing vacancy rates.

The new Clorox innovation campus is under construction and, by the way, that transaction marked the largest office lease transaction in Alameda and Contra Costa counties between August of 2010 and August of 2011. Also signing leases in 2011 were Advantage Sales and Marketing, MegaPath Networks, and, at the end of 2011, Pacific Office Automation announced that it would be moving to Pleasanton from Alameda.

We also made great strides on the Staples Ranch development project in 2011 as it became fully entitled and construction got underway. We were able to finalize all of the permitting and regulatory requirements and Continuing Life Communities broke ground on its senior community development and anticipates an opening in fall of 2013.

Despite a sluggish national economy, we welcomed some new retailers in Pleasanton in 2011, several of them in downtown, including the Therapy boutique, women's apparel shops Prim and LanVie the Handles Gastropub, and a beautiful new space for another restaurant at 234 Main Street.

Nordstrom wrapped up a fabulous new remodel at Stoneridge Shopping Center. We also welcomed Buckhorn Grill, Love Culture, and Petfood Express to our city in 2011. With all these great new stores, consumer spending was up a little and the City received just over \$18.5

million in retail sales tax revenues, marking a \$3 million dollar increase over the previous fiscal year.

The opening of the new Pleasanton Gateway Shopping Center on Bernal Avenue was a monumental event of 2011 here in Pleasanton. The centerpiece of the project is a beautiful new Safeway Lifestyle store.

We also completed a comprehensive Climate Action Plan for the city in 2011. The Plan is aligned to comply with AB32, which is California's Global Warming Solutions Act. We're proud to belong to a state that leads the nation in energy efficiency standards and takes a lead role in environmental protection. But we must also keep in mind that California is the 12th largest emitter of carbon in the world.

For this reason we are encouraging the use of alternative fuels within our own City fleet and by everyone else who drives through Pleasanton. The new Electric Vehicle charging stations are a component of our Climate Action Plan. We've also developed an incentive program for residents and businesses to implement energy efficiency measures or to install solar power.

We're walking the walk at City Hall too with a Municipal Recycling Program and a goal to have zero waste by 2020. We also retrofitted the Pleasanton Public Library with wireless lighting controls and were able to cut the energy use by 45% and improve lighting levels throughout the library. By the way, the City of Pleasanton is the first city in the nation to use this system.

We made progress on several key infrastructure projects in 2011 including construction on a sewer lift station. Federal grant funding assisted in the completion of two major street resurfacing projects that covered 2 million square feet of roadway along Santa Rita Road and Stoneridge Drive.

The great American statesman Ben Franklin once said, *"When you're finished changing, you're finished."*

Well, we're not finished yet in Pleasanton. So what is next for Pleasanton?

Well, meeting the goals and programs as outlined in our housing element will require considerable City Council and public dialogue and will most assuredly result in new affordable housing in the community. The Staples Ranch development will yield new retail uses and the

East Side Specific Plan will set the stage for future development in that portion of the community. But the focus won't be limited to new and current activities. Our work related to historic preservation and hospitality will further solidify our Downtown as the envy of many a city. Following through on our Climate Action Plan will result in energy changes in the community including LED street lights and more solar systems. We anticipate that our police and fire departments will continue to evolve in ways that contain costs and maintain our high public safety ratings. Demands for City services, including library, youth sports, senior programs including transportation, and overall community enrichment will continue to grow and these needs will be met with a range of programs and services that are consistent with community expectations.

As you can see, the work of your city continues, even in these challenging times. In closing, I would like to say that it has been my greatest pleasure to serve as your Mayor for the past 8 years. I feel confident that at the end of my term, we today have a better, stronger, and more self-sufficient Pleasanton than we had in 2004. We have been through a lot and learned a lot together. Thank you for giving me this remarkable opportunity. Finally, I also want to thank our City Manager, Nelson Fialho, and our wonderful city staff for their many contributions.